

**RULES
OF
THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
DIVISION OF INSURANCE**

**CHAPTER 0780—1—52
MORTALITY TABLES**

0780—1—52—.01	Annuity Mortality Tables	0780—1—52—.04	Separability
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0780—1—52—.01 ANNUITY MORTALITY TABLES

- (1) Purpose — The purpose of rule 0780—1—52—.01 is to recognize new mortality tables, 1983 Table “a” and 1983 GAM Table, for use in determining the minimum standard of valuation for annuity and pure endowment contracts.
- (2) Definitions.
 - (a) As used in rule 0780—1—52—.01, “1983 Table ‘a’” means that mortality table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and adopted as a required mortality table for annuities in June 1982 by the National Association of Insurance Commissioners.
 - (b) As used in rule 0780—1—52—.01 “1983 GAM Table” means that mortality table developed by the Society of Actuaries Committee on Annuities and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners.
- (3) Individual Annuity or Pure Endowment Contracts.
 - (a) The 1983 Table “a” is recognized and approved as an individual annuity mortality table for valuation and, at the option of the company, may be used for purposes of determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after March 13, 1978.
 - (b) The 1983 Table “a” is to be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after July 1, 1985.
- (4) Group Annuity or Pure Endowment Contracts.
 - (a) The 1983 GAM Table and the 1983 Table “a” are recognized and approved as group annuity mortality tables for valuation and, at the option of the company, either table may be used for purposes of valuation for any annuity or pure endowment purchased on or after March 13, 1978.
 - (b) The 1983 GAM Table is to be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after July 1, 1985.

Authority: T.C.A. §§56—1—403 and 56—2—301. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985.

0780—1—52—.02 SMOKER/NONSMOKER MORTALITY TABLES.

- (1) Purpose — The purpose of rule 0780—1—52—.02 is to permit the use of mortality tables that reflect differences in mortality between smokers and nonsmokers in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits for plans of insurance with separate premium rates for smokers and nonsmokers.
- (2) Definitions.
 - (a) As used in rule 0780—1—52—.02, “1980 CSO Table, with or without Ten-Year Select Mortality Factor” means that mortality table, consisting of separate rates or mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Mortality Table, with or without Ten-Year Select Mortality Factors. The same select factors will be used for both smokers and nonsmokers tables.
 - (b) As used in rule 0780—1—52—.02, “1980 CET Table” means that mortality table consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individuals Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.
 - (c) As used in rule 0780—1—52—.02, “1958 CSO Table” means that mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the NAIC Model Standard Nonforfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Standard Ordinary Mortality Table.
 - (d) As used in rule 0780—1—52—.02, “1958 CET Table” means that mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the NAIC Model Standard Nonforfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Extended Term Insurance Table.
 - (e) As used in rule 0780—1—52—.02, the phrase “smoker and nonsmoker mortality tables” refers to the mortality tables with separate rates of mortality for smokers and nonsmokers derived from the tables defined in (a) through (d) of this section which were developed by the Society of Actuaries Task Force on Smoker/Non-smoker Mortality and the California Insurance Department staff and recommended on the NAIC Technical Staff Actuarial Group.
 - (f) As used in rule 0780—1—52—.02, the phrase “composite mortality tables” refers to the mortality tables defined in (a) through (d) of this section as they were originally published with rates of mortality that do not distinguish between smokers and nonsmokers.
- (3) Alternate Tables.
 - (a) For any policy of insurance delivered or issued for delivery in this state after the operative date of T.C.A. §56—7—401 (h) (11), for that policy form and before January 1, 1989, at the option of the company and subject to the conditions stated in section 4 of rule 0780—1—52—.02,
 1. the 1958 CSO Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
 2. the 1958 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table.

(Rule 0780—1—52—.02, continued)

for use in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits; Provided that for any category of insurance issued on female lives with minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits determined using the 1958 CSO or 1958 CET Smoker and Nonsmoker Mortality Tables, such minimum values may be calculated according to an age not more than six years younger than the actual age of the insured; Provided further that the substitution of the 1958 CSO or 1958 CET Smoker and Nonsmoker Mortality Tables is available only if made for each policy of insurance on a policy form delivered or issued for delivery on or after the operative date for that policy form and before a date not later than January 1, 1989.

- (b) For any policy of insurance delivered or issued for delivery in this state after the operative date of T.C.A. §56—7—401 (h) (11), for that policy form, at the option of the company and subject to the conditions stated in section 4 of rule 0780—1—52—.02,
 - 1. the 1980 CSO Smoker and Nonsmoker Mortality Tables, with or without Ten-Year Select Mortality Factors, may be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
 - 2. the 1980 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table for use in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.
- (4) Conditions — For each plan of insurance with separate rates for smokers and nonsmokers an insurer may:
 - (a) use composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits,
 - (b) use smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by T.C.A. §56—1—403 (d) (5), and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up nonforfeiture benefits, or
 - (c) use smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

Authority: T.C.A. §§56—1—403, 56—2—301 and 56—7—401. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985.

0780—1—52—.03 MIXED GENDER MORTALITY TABLES.

- (1) Purpose — The purpose of rule 0780—1—52—.03 is to permit individual life insurance policies to provide the same cash surrender values and paid-up nonforfeiture benefits to both men and women. No change in minimum valuation standards is implied by this rule.
- (2) Definitions.
 - (a) As used in rule 0780—1—52—.03, “1980 CSO Table, with or without Ten-Year Select Mortality Factors” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Ordinary Mortality Table, with or without Ten-Year Select Mortality Factors.

(Rule 0780—1—52—.03, continued)

- (b) As used in rule 0780—1—52—.03, “1980 CSO Table (M), with or without Ten-Year Select Mortality Factors” means that mortality table consisting of the rates of mortality for male lives from the 1980 CSO Table, with out without Ten-Year Select Mortality Factors.
 - (c) As used in rule 0780—1—52—.03, “1980 CSO Table (F), with or without Ten-Year Select Mortality Factors” means that mortality table consisting of the rates of mortality for female lives from the 1980 CSO Table, with or without Ten-Year Select Mortality Factors.
 - (d) As used in rule 0780—1—52—.03, “1980 CET Table” means that mortality table consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.
 - (e) As used in rule 0780—1—52—.03, “1980 CET Table (M)” means that mortality table consisting of the rates of mortality for male lives from the 1980 CET Table.
 - (f) As used in rule 0780—1—52—.03, “1980 CET Table (F)” means that mortality table consisting of the rates of mortality for female lives from the 1980 CET Table.
 - (g) As used in this rule, “1980 CSO and 1980 CET Smoker and Nonsmoker Mortality Tables” means the mortality tables with separate rates of mortality for smokers and nonsmokers derived from the 1980 CSO and 1980 CET Mortality tables by the Society of Actuaries Task Force on Smoker/Nonsmoker Mortality and adopted by the NAIC in December 1983.
- (3) Rule — For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state after the operative date of T.C.A. §56—7—401 (h) (11), for that policy form,
- (a) a mortality table which is a blend of the 1980 CSO Table (M) and the 1980 CSO Table (F) with or without Ten-Year Select Mortality Factors may at the option of the company be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
 - (b) a mortality table which is of the same blend as used in (a) but applied to form a blend of the 1980 CET Table (M) and the 1980 CET Table (F) may at the option of the company be substituted for the 1980 CET Table for use in determining minimum case surrender values and amounts of paid-up nonforfeiture benefits. The following tables will be considered as the basis for acceptable tables:
 1. 100% Male 0% Female for tables to be designated as the “1980 CSO-A” and “1980 CET-A” tables.
 2. 80% Male 20% Female for tables to be designated as the “1980 CSO-B” and “1980 CET-B” tables.
 3. 60% Male 40% Female for tables to be designated as the “1980 CSO-C” and “1980 CET-C” tables.
 4. 50% Male 50% Female for tables to be designated as the “1980 CSO-D” and “1980 CET-D” tables.
 5. 40% Male 60% Female for tables to be designated as the “1980 CSO-E” and “1980 CET-E” tables.
 6. 20% Male 80% Female for tables to be designated as the “1980 CSO-F” and “1980 CET-F” tables.
 7. 0% Male 100% Female for tables to be designated as the “1980 CSO-G” and “1980 CET-G” tables.

Tables 1. and 7. are not to be used with respect to policies issued on or after July 1, 1985, except where the proportion of persons insured is anticipated to be 90% or more of one sex or othe other except for certain policies converted from group insurance. Such conversions issued on or after January 1, 1986, must use Mortality Tables based on the blend of lives by sex expected for such policies if such group conversions are considered as extensions of the *Norris* decision. This consideration has not been clearly defined by court or legislative action in all jurisdiction Table 1. is the same as 1980 CSO Table (M) and 1980 CET Table (M) and Table 7. is the same as 1980 CSO Table (F) and 1980 CET Table (F).

(Rule 0780—1—52—.03, continued)

(4) Alternate Rule

In determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits for any policy of insurance on the life of either a male or female insured on a form of insurance with separate rates for smokers and nonsmokers delivered or issued for delivery in this state after the operative date of *T.C.A. §56—7—401(h)(11)*, for that policy form, in addition to the mortality tables that may be used according to Section(3) of rule 0780—1—52—.03;

- (i) a mortality table which is a blend of the male and female rates of mortality according to the 1980 CSO Smoker Mortality Table, in the case of lives classified as smokers, or the 1980 CSO Nonsmoker Mortality Table, in the case of lives classified as nonsmokers, with or without ten-year Select Mortality Factors, may at the option of the company be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
- (ii) A mortality table which is of the same blend as used in (i) but applied to form a blend of the male and female rates of mortality according to the corresponding 1980 CET Smoker Mortality Table or 1980 CET Nonsmoker Mortality Table may at the option of the company be substituted for the 1980 CET Table.

The following blended mortality tables will be considered acceptable:

SA:	100%Male	0% Female smoker tables designated as “1980 CSO-SA” and “1980 CET-SA” Tables.
SB:	80% Male	20% Female smoker tables designated as “1980 CSO-SB” and “1980 CET-SB” Tables.
SC:	60%	40% Female smoker tables designated as “1980 CSO-SC” and “1980 CET-SC” Tables.
SD:	50% Male	50% Female smoker tables designated as “1980 CSO-SD” and “1980 CET-SD” Tables.
SE:	40% Male	60% Female smoker tables designated as “1980 CSO-SE” and “1980 CET-SE” Tables.
SF:	20% Male	80% Female smoker tables designated as “1980 CSO-SF” and “CET-SF” Tables.
SG:	0% Male	100 % Female smoker tables designated as “1980 CSO-SG” and “1980 CET-SG” Tables.
NA:	100% Male	0% Female nonsmoker tables designated as “1980 CSO-NA” and 1980 CET-NA” Tables.
NB:	80% Male	20% Female nonsmoker tables designated as “1980 CSO-NB” and “1980 CET-NB” Tables.
NC:	60% Male	40 % Female nonsmoker tables designated as “1980 CSO-NC” and “1980 CET-NC” Tables.
ND:	50% Male	50% Female nonsmoker tables designated as “1980 CSO-NS” and “1980 CET-NE” Tables.
NE:	40% Male	60% Female nonsmoker tables designated as “1980 CSO-NE” and “1980 CET-NE” Tables.
NF:	20%Male	80% Female nonsmoker tables designated as “1980 CSO-NF” and “1980 CET-NF” Tables.
NG:	0% Male	100% Female nonsmoker tables designated as “1980 CSO-NG” and “1980 CET-NG” Tables.

Tables SA, SG, NA and NG are not acceptable as blended tables unless the proportion of persons insured is anticipated to be 90% or more of one sex or the other.

(Rule 0780—1—52—.03, continued)

- (5) Unfair Discrimination - It shall not be a violation of T.C.A. Title 56, Chapter 8, for an insurer to issue the same kind of policy of life insurance on both sex distinct and sex neutral basis.

Authority: T.C.A. §§56—2—301 and 56—7—401. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985. Amendment filed on August 28, 1989; effective October 12, 1989.

0780—1—52—.04 SEPARABILITY. If any provision of chapter 0780—1—52 or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances shall not be affected thereby.

Authority: T.C.A. §§56—2—301 and 56—7—401. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985.

0780—1—52—.05 EFFECTIVE DATE. The effective date of chapter 0780—1—52 is July 1, 1985.

Authority: T.C.A. §§56—2—301 and 56—7—401. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985.